REMARKS

Claims 1-15 remain pending. Claims 1, 6, and 11 have been amended. No new matter has been added.

Applicants thank the Examiner and the Examiner's supervisor for the courtesy of hosting a personal interview with Applicants' representative on July 12, 2008. As discussed in the interview, Applicants have amended claims 1, 6, and 11 to clarify the claimed "predetermined fluctuation range ratio" and the claimed "lower limit inventory amount", and to conform the claims with current USPTO practices set forth in the USPTO's memorandum dated May 15, 2008 and entitled "Clarification of 'Process' under 35 USC § 101". In addition, Applicants have further amended claims 1, 6, and 11 to clarify the calculation of "a supplement amount".

Support for the clarifications of "predetermined fluctuation range ratio" can be found in the specification at, e.g., p. 16, lines 20-24. Support for the clarifications of "lower limit inventory amount" can be found in the specification at, e.g., p. 25, lines 6-9. Support for the clarifications of calculating the supplement amount can be found in the specification at, e.g., p. 27, lines 10-13 and FIG. 10, element 41.

Claims 1-15 stand rejected under 35 USC 103(a) based on Kawashima (US 5,168,445) in view of Iida (US 6,668,245). Applicants respectfully traverse these rejections in light of the current claim amendments.

The claimed subject matter is directed to inventory management comprising a number of elements in combination. Representative claim 1 recites a combination of elements for calculating a supplemental amount of inventory at a specific day. The supplemental amount is based on a first inventory amount and a lower limit inventory amount of the specific day. The first inventory amount is predicted based on a first sales plan amount, and the lower limit inventory amount is calculated based on a second sales plan amount and a sales fluctuation range amount. The fluctuation range amount is calculated by multiplying the second sales plan amount by a predetermined fluctuation range ratio.

The Examiner concedes that Kawashima fails to disclose calculating a sales fluctuation range amount as claimed, but relies upon Iida to cure this defect. In relying on Iida, the Examiner compares Iida's sales number variation coefficient "β" with the claimed predetermined fluctuation range ratio. This comparison is improper.

As clarified in the amended claims, the fluctuation range ratio is a ratio of the fluctuation of past sales performance compared with an expected amount. In contrast, Iida's sales number variation coefficient β is a value that reflects variations in sales based on the price of merchandise; the value of β is decided based on "the current selling price" of merchandise. (See Iida, col. 4, lines 52-55.)

Because Iida's variation coefficient β differs from the claimed fluctuation range ratio, Iida fails to cure Kawashima's failure to disclose a combination including the claimed calculation of the sales fluctuation range amount. Accordingly the rejection of claims 1-15 should be withdrawn.

The Examiner also concedes that Kawashima fails to disclose calculating the lower limit inventory amount as claimed, but again relies upon Iida to cure this defect. In relying on Iida, the Examiner compares Iida's computation of "a second corrected sales number Exβ for each individual day of the week reflecting the selling price change" with the claimed calculation of the lower limit inventory amount. This comparison is improper.

As clarified in the amended claims, the lower limit inventory amount is calculated "as a sum of [a] second sales plan amount and a standard value of ordinary inventory, wherein the standard value of ordinary inventory is based on said sales fluctuation range amount". Iida's corrected sales number Exβ differs from the lower limit inventory amount in several ways.

First, Iida's corrected sales number Exβ does not constitute an inventory amount. Rather, the corrected sales number corresponds to an estimated number of sales of a particular item of merchandise on a particular day of the week, adjusted (i.e., "corrected") to account for fluctuations in the item's price. (See, e.g., Iida, col. 5, lines 1-12.) As explained in Iida, the estimated sales number takes into account the familiar economic phenomenon that as the price of an

item decreases, expected sales of the item tend to increase accordingly. (See, e.g., Iida, col. 4, lines 55-57.) Second, Iida contains no mention of any limit to the corrected sales number Exβ, let alone a lower limit amount for a specific day. Rather, Iida merely discusses a relationship between price and sales and explains how the relationship influences the value of the corrected sales number. Finally, Iida's corrected sales number Exβ is not calculated in the same way as the claimed lower limit inventory amount, i.e., as a sum of a second sales plan amount and a standard value of ordinary inventory.

Because Iida's calculation of a corrected sales number differs from the claimed calculation of the lower limit inventory amount, Iida fails to cure Kawashima's failure to disclose a combination including the claimed lower limit inventory amount. Accordingly, the rejection of claims 1-15 should be withdrawn.

In view of the foregoing, each of the presently pending claims in this application is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue. If it is determined that a telephone conference would expedite the prosecution of this application, the Examiner is invited to telephone the undersigned at the number given below.

In the event the U.S. Patent and Trademark Office determines that an extension and/or other relief is required, applicant petitions for any required relief including extensions of time and authorizes the Commissioner to charge the cost of such petitions and/or other fees due in connection

with the filing of this document to Deposit Account No. 03-1952 referencing docket no.
116692004100.

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